

WASHINGTON, DC 20510

November 30, 2010

The Honorable Harry Reid Majority Leader United States Senate 522 Hart Senate Office Building Washington, DC 20515

Dear Majority Leader Reid:

We are writing to ask for your help to enact legislation to allow children's hospitals to retain access to 340B drug discounts for orphan drugs before the 111th Congress adjourns.

As you know, an unintentional change in Section 2302 of the Health Care and Education Reconciliation Act (HCERA) took away the ability of children's hospitals to receive the 340B discount for orphan drugs – a discount they have been receiving since 2006.

Since the HCERA provision was effective upon enactment, it is imperative that a retroactive correction be made this year. Unfortunately, in recent months the children's hospitals have increasingly lost savings they would have gained from participation in the 340B program, as a growing number of drug manufacturers are denying discounts for orphan drugs.

Children's hospitals use most of the 347 drugs that have received orphan drug status on a daily basis. The 340B program has offered the potential of significant savings to the twenty-nine children's hospitals currently participating in the program – savings which help them meet the needs of the vulnerable children they serve.

We appreciate your efforts to restore the 340B drug discount and request your continued leadership and support to ensure that children's hospitals do not lose the critical benefit of this program. We look forward to working with you to find time in the Senate schedule to pass a technical correction before the end the 111th Congress.

Sincerely,

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